

Compliance Assessment Sampling Plan – Transaction Value (Reported)

CAT KIT Exhibit 6

Attribute, Test, Errors, & Criteria for Testing	Sampling Parameters	Universe	Potential Sampling Frame(s)	Evaluation of Compliance Testing & Actions Needed
<p>Attribute: Does the value reported to Customs reflect the actual price paid or payable plus statutory additions in accordance with Section 402 Tariff Act of 1930 (19 U.S.C. 1401a), as amended by Section 201, Trade Agreements Act of 1979 and CFR 152 Subparts C and E?</p> <p>Test (Primary Audit Steps):</p> <ol style="list-style-type: none"> Test limitations on transaction value as the basis of appraisement (each sample item). <ul style="list-style-type: none"> Evidence of sale for export to U.S. Restrictions on use of imported merchandise Conditions of sale for which a value cannot be determined Proceeds of subsequent resale Related party relationship Determine if the declared invoice price was paid or payable as required for transaction value. Determine if the company's internal control policies and procedures for reporting accurate value were <ul style="list-style-type: none"> Documented, and Produced accurate entered value. <p>Errors: The declared invoice price was not the price paid or payable.</p> <ol style="list-style-type: none"> Company records do not reconcile to Customs entry information The conversion rate used was not based on the date of exportation or there was a contracted currency exchange rate that effected the price paid or payable One of the following non-dutiable charges were inaccurately reported: <ul style="list-style-type: none"> International freight and insurance Buying commissions Transportation costs after importation Customs duties Federal excise taxes Indirect payments affecting the price paid or payable The importer is unable to provide adequate support or information for verifying the price actually paid or payable. <p>Criteria for Testing (Statistical Sample or 100% Review): This is a common check trade area that must be performed in all compliance assessments where transaction value is used as the basis of appraisement. <i>Note: Transaction value requires a two part test. This sampling plan addresses the first part, "reported value."</i></p>	<p>Approach: attribute estimation sampling using the average error rate (point estimate) for evaluating compliance</p> <p>Confidence Level: 95%</p> <p>Sampling Error (Precision): ±5% (10% range)</p> <p>Anticipated Error Rate: 5%</p>	<p>Declared values of merchandise with transaction value as the basis of appraisement for entries made during the importer's last completed fiscal year</p>	<p>Customs' Records: Entries ACS Line Items</p> <p>Importer's Records: Payments Payables Invoices Receiving Data Inventory of Articles Purchase Orders Shipping Log Acctg. Transactions Etc.</p> <p>Sampling Frame: _____</p> <p>Validated Sample: <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Frame Size: _____</p> <p>Sample Size: _____</p>	<p>LOL Compliance Rate: ____%</p> <p>Systemic/Non-Systemic or Recurring Errors?</p> <ul style="list-style-type: none"> If systemic, recommend importer correct cause of error(s). If recurring, project the effect and recommend collection of unpaid duties and fees. If non-recurring, recommend collection of duties and fees on identified errors, if applicable. <p>LOL Error Rate £5%</p> <ul style="list-style-type: none"> If internal controls were documented, compliance is at an acceptable level for reported value. If internal controls were not documented, coordinate with the Account Manager to help company develop a CIP. <p>LOL Error Rate > 5%</p> <p>Apply materiality criteria. (CAT Kit Exhibit 32)</p> <p>Materiality Compliance Rate: ____%</p> <p>Materiality Compliance Rate is acceptable</p> <ul style="list-style-type: none"> If internal controls were documented, compliance is at an acceptable level for reported value. If internal controls were not documented, coordinate with the Account Manager to help company develop a CIP. <p>Materiality Compliance Rate is unacceptable</p> <ul style="list-style-type: none"> If materiality error rate is not acceptable, importer compliance for reported value is not acceptable. Coordinate with the Account Manager to help company develop a CIP. <p>Prepare results sheet and refer to the Enforcement Evaluation Team (EET) if findings meet the EET impact level for referral.</p>